**BILLING CODE: 3510-DS-P** 

#### DEPARTMENT OF COMMERCE

**International Trade Administration** 

(A-570-028)

Hydrofluorocarbon Blends and Components Thereof from the People's Republic of China: Initiation of Less-Than-Fair-Value Investigation

AGENCY: Enforcement and Compliance, International Trade Administration, Department of

Commerce

DATES: Effective date: (Insert date of publication in the <u>Federal Register</u>).

FOR FURTHER INFORMATION CONTACT: Stephen Bailey or Dennis McClure at (202) 482-0193 and (202) 482-5973, respectively; AD/CVD Operations, Enforcement and Compliance, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230.

#### SUPPLEMENTARY INFORMATION:

## The Petition

On June 25, 2015, the Department of Commerce (the Department) received an antidumping duty (AD) petition concerning imports of certain hydrofluorocarbon blends and certain single hydrofluorocarbon components thereof (HFCs) from the People's Republic of China (PRC), filed in proper form on behalf of the American HFC Coalition and its individual members, 1 as well as District Lodge 154 of the International Association of Machinists and

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<sup>&</sup>lt;sup>1</sup> The individual members of the American HFC Coalition are: Amtrol Inc., Arkema Inc., The Chemours Company FC LLC, Honeywell International Inc., Hudson Technologies, Mexichem Fluor Inc., and Worthington Industries, Inc.

Aerospace Workers (collectively, the petitioners).<sup>2</sup> The petitioners are either domestic manufacturers or blenders of HFCs, or a union representing the HFC industry.<sup>3</sup>

On June 30, 2015, the Department requested additional information and clarification of certain areas of the Petition.<sup>4</sup> The petitioners filed responses to these requests on July 6, 2015, July 7, 2015, and July 14, 2015.<sup>5</sup>

In accordance with section 732(b) of the Tariff Act of 1930, as amended (the Act), the petitioners allege that imports of HFCs from the PRC are being, or are likely to be, sold in the United States at less than fair value within the meaning of section 731 of the Act, and that such imports are materially injuring, or threatening material injury to, an industry in the United States. Also, consistent with section 732(b)(1) of the Act and 19 CFR 351.202(b), the Petition is accompanied by information reasonably available to the petitioners supporting their allegations.

The Department finds that the petitioners filed the Petition on behalf of the domestic industry because the petitioners are interested parties as defined in sections 771(9)(C), (D), and (F) of the Act. The Department also finds that the petitioners demonstrated sufficient industry support with respect to the initiation of this AD investigation.<sup>6</sup>

<sup>&</sup>lt;sup>2</sup> <u>See</u> Petition for the Imposition of Antidumping Duties on Imports of Hydrofluorocarbon Blends and Components from the PRC, dated June 25, 2015 (the Petition).

<sup>&</sup>lt;sup>3</sup> <u>See</u> Volume I of the Petition, at 1, 5, and 6.

<sup>&</sup>lt;sup>4</sup> <u>See</u> Letter from the Department to the Petitioners entitled "Re: Petition for the Imposition of Antidumping Duties on Imports of Hydrofluorocarbon Blends and Components from the PRC: Supplemental Questions" dated June 30, 2015 (Supplemental Questionnaire).

<sup>&</sup>lt;sup>5</sup> <u>See</u> Response to the Department's June 30, 2015, Questionnaire Regarding Volume I of the Petition for Antidumping Duties, dated July 6, 2015 (Petition Supplement).

<sup>&</sup>lt;sup>6</sup> See the "Determination of Industry Support for the Petition" section below.

## Period of Investigation

Because the Petition was filed on June 25, 2015, pursuant to 19 CFR 351.204(b)(1), the period of investigation (POI) is October 1, 2014, through March 31, 2015.

# Scope of the Investigation

The products covered by this investigation are blended HFCs and certain single HFC components of those blends thereof, from the PRC. For a full description of the scope of this investigation, see the "Scope of the Investigation," in Appendix I of this notice.

## Comments on Scope of the Investigation

During our review of the Petition, the Department issued questions to, and received responses from, the petitioners pertaining to the proposed scope to ensure that the scope language in the Petition would be an accurate reflection of the products for which the domestic industry is seeking relief.<sup>7</sup> In the scope provided by the petitioners was the following substantive provision:

This investigation includes any Chinese HFC components that are blended in a third country to produce a subject HFC blend before being imported into the United States. Also included are semi-finished blends of Chinese HFC components. Semi-finished blends are blends of one or more of the single-component Chinese HFCs used to produce the subject HFC blends, whether or not blended in China or a third country, that have not been blended to the specific proportions required to meet the definition of one of the subject HFC blends described above (R-404A, R-407A, R-407C, R-410A, and R-507A). Single-component HFCs and semi-finished HFC blends are not excluded from the scope of this investigation when blended with HFCs from non-subject countries.

The Department has not adopted this provision for the purposes of initiation because the additional language has presented the Department with some novel and complex issues with respect to administering any potential AD order and, as such, we believe this warrants further

<sup>&</sup>lt;sup>7</sup> <u>See</u> Supplemental Questionnaire; <u>see also</u> Petition Supplement.

discussion and analysis from parties to this proceeding.<sup>8</sup> As discussed in the preamble to the Department's regulations,<sup>9</sup> we are setting aside a period for interested parties to raise issues regarding product coverage (scope). The period for scope comments is intended to provide the Department with ample opportunity to consider all comments and to consult with parties prior to the issuance of the preliminary determination. If scope comments include factual information (see 19 CFR 351.102(b)(21)), all such factual information should be limited to public information. The Department encourages all interested parties to submit such comments by 5:00 p.m. Eastern Time (ET) on Tuesday, August 4, 2015, which is 20 calendar days from the signature date of this notice. Any rebuttal comments, which may include factual information, must be filed by 5:00 p.m. ET on Friday, August 14, 2015.

The Department requests that any factual information the parties consider relevant to the scope of the investigation be submitted during this time period. However, if a party subsequently finds that additional factual information pertaining to the scope of the investigation may be relevant, the party may contact the Department and request permission to submit the additional information.

#### Filing Requirements

All submissions to the Department must be filed electronically using Enforcement and Compliance's Antidumping and Countervailing Duty Centralized Electronic Service System (ACCESS).<sup>10</sup> An electronically-filed document must be received successfully in its entirety by

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<sup>&</sup>lt;sup>8</sup> The Department has independent authority to determine the scope of its investigations. <u>See Diversified Products Corp. v. United States</u>, 572 F. Supp. 883, 887 (CIT 1983).

<sup>&</sup>lt;sup>9</sup> See Antidumping Duties; Countervailing Duties, 62 FR 27296, 27323 (May 19, 1997).

<sup>&</sup>lt;sup>10</sup> <u>See</u> 19 CFR 351.303 (for general filing requirements); <u>see also Antidumping and Countervailing Duty Proceedings: Electronic Filing Procedures; Administrative Protective Order Procedures</u>, 76 FR 39263 (July 6, 2011) for details of the Department's electronic filing requirements, which went into effect on August 5, 2011. Information on help using ACCESS can be found at <a href="https://access.trade.gov/help.aspx">https://access.trade.gov/help.Handbook%20on%20Electronic%20Filling%20Procedures.pdf</a>.

the time and date when it is due. Documents excepted from the electronic submission requirements must be filed manually (i.e., in paper form) with Enforcement and Compliance's APO/Dockets Unit, Room 18022, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, and stamped with the date and time of receipt by the applicable deadlines.

#### Comments on Product Characteristics for AD Questionnaire

The Department requests comments from interested parties regarding the appropriate physical characteristics of HFCs to be reported in response to the Department's AD questionnaire. This information will be used to identify the key physical characteristics of the subject merchandise in order to report the relevant factors of production (FOPs).

Interested parties may provide any information or comments that they feel are relevant to the development of an accurate list of physical characteristics. Specifically, they may provide comments as to which characteristics are appropriate to use as: 1) general product characteristics and 2) product-comparison criteria. We note that it is not always appropriate to use all product characteristics as product-comparison criteria. We base product-comparison criteria on meaningful commercial differences among products. In other words, although there may be some physical product characteristics utilized by manufacturers to describe HFCs, it may be that only a select few product characteristics take into account commercially meaningful physical characteristics. In addition, interested parties may comment on the order in which the physical characteristics should be used in matching products. Generally, the Department attempts to list the most important physical characteristics first and the least important characteristics last.

In order to consider the suggestions of interested parties in developing and issuing the AD questionnaire, all comments must be filed by 5:00 p.m. ET on Tuesday, August 4, 2015,

which is 20 calendar days from the signature date of this notice. Any rebuttal comments must be filed by 5:00 p.m. ET on Friday, August 14, 2015. All comments and submissions to the Department must be filed electronically using ACCESS, as explained above.

# **Determination of Industry Support for the Petition**

Section 732(b)(1) of the Act requires that a petition be filed on behalf of the domestic industry. Section 732(c)(4)(A) of the Act provides that a petition meets this requirement if the domestic producers or workers who support the petition account for: (i) at least 25 percent of the total production of the domestic like product; and (ii) more than 50 percent of the production of the domestic like produced by that portion of the industry expressing support for, or opposition to, the petition. Moreover, section 732(c)(4)(D) of the Act provides that, if the petition does not establish support of domestic producers or workers accounting for more than 50 percent of the total production of the domestic like product, the Department shall: (i) poll the industry or rely on other information in order to determine if there is support for the petition, as required by subparagraph (A); or (ii) determine industry support using a statistically valid sampling method to poll the "industry."

Section 771(4)(A) of the Act defines the "industry" as the producers as a whole of a domestic like product. Thus, to determine whether a petition has the requisite industry support, the statute directs the Department to look to producers and workers who produce the domestic like product. The International Trade Commission (ITC), which is responsible for determining whether "the domestic industry" has been injured, must also determine what constitutes a domestic like product in order to define the industry. While both the Department and the ITC must apply the same statutory definition regarding the domestic like product, <sup>11</sup> they do so for

<sup>&</sup>lt;sup>11</sup> See section 771(10) of the Act.

different purposes and pursuant to a separate and distinct authority. In addition, the Department's determination is subject to limitations of time and information. Although this may result in different definitions of the like product, such differences do not render the decision of either agency contrary to law.<sup>12</sup>

Section 771(10) of the Act defines the domestic like product as "a product which is like, or in the absence of like, most similar in characteristics and uses with, the article subject to an investigation under this title." Thus, the reference point from which the domestic like product analysis begins is "the article subject to an investigation" (i.e., the class or kind of merchandise to be investigated, which normally will be the scope as defined in the Petition).

With regard to the domestic like product, the petitioners do not offer a definition of the domestic like product distinct from the scope of the investigation. Based on our analysis of the information submitted on the record, we have determined that HFCs constitute a single domestic like product and we have analyzed industry support in terms of that domestic like product.<sup>13</sup>

In determining whether the petitioners have standing under section 732(c)(4)(A) of the Act, we considered the industry support data contained in the Petition with reference to the domestic like product as defined in the "Scope of the Investigation," in Appendix I of this notice. The petitioners provided their production of HFC blends in 2014, and estimated the potential maximum U.S. production of HFC blends for the entire domestic industry using data on

<sup>&</sup>lt;sup>12</sup> See <u>USEC</u>, Inc. v. <u>United States</u>, 132 F. Supp. 2d 1, 8 (CIT 2001) (citing <u>Algoma Steel Corp.</u>, <u>Ltd. v. United States</u>, 688 F. Supp. 639, 644 (CIT 1988), <u>aff'd</u> 865 F.2d 240 (Fed. Cir. 1989)).

<sup>&</sup>lt;sup>13</sup> For a discussion of the domestic like product analysis in this case, <u>see</u> Antidumping Duty Investigation Initiation Checklist: Certain Hydrofluorocarbon Blends and Certain Single Hydrofluorocarbon Components Thereof from the People's Republic of China (Initiation Checklist), at Attachment II, Analysis of Industry Support for the Antidumping Duty Petition Covering Certain Hydrofluorocarbon Blends and Certain Single Hydrofluorocarbon Components Thereof from the People's Republic of China (Attachment II). This checklist is dated concurrently with this notice and on file electronically via ACCESS. Access to documents filed via ACCESS is also available in the Central Records Unit, Room B8024 of the main Department of Commerce building.

merchant market shipments and imports of HFC components.<sup>14</sup> To establish industry support, the petitioners compared their own production of HFC blends to estimated potential maximum production of HFC blends for the entire domestic industry.<sup>15</sup>

Our review of the data provided in the Petition, Petition Supplements, and other information readily available to the Department indicates that the petitioners have established industry support. 16 First, the Petition established support from domestic producers (or workers) accounting for more than 50 percent of the total production of the domestic like product and, as such, the Department is not required to take further action in order to evaluate industry support (e.g., polling). <sup>17</sup> Second, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(i) of the Act because the domestic producers (or workers) who support the Petition account for at least 25 percent of the total production of the domestic like product. 18 Finally, the domestic producers (or workers) have met the statutory criteria for industry support under section 732(c)(4)(A)(ii) of the Act because the domestic producers (or workers) who support the Petition account for more than 50 percent of the production of the domestic like product produced by that portion of the industry expressing support for, or opposition to, the Petition. <sup>19</sup> Accordingly, the Department determines that the Petition was filed on behalf of the domestic industry within the meaning of section 732(b)(1) of the Act.

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<sup>&</sup>lt;sup>14</sup> <u>See</u> Volume I of the Petition, at 9-10 and Exhibit I-1; <u>see also</u> Volume II of the Petition, at Exhibits II-2 and II-5; Petition Supplement, at 11-13 and Exhibits 3 and 4; and Second Petition Supplement.

<sup>&</sup>lt;sup>15</sup> Id. For further discussion, see Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>16</sup> See Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>17</sup> See section 732(c)(4)(D) of the Act; see also Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>18</sup> See Initiation Checklist, at Attachment II.

<sup>&</sup>lt;sup>19</sup> Id.

The Department finds that the petitioners filed the Petition on behalf of the domestic industry because they are interested parties as defined in sections 771(9)(C), (D), and (F) of the Act and they have demonstrated sufficient industry support with respect to the AD investigation that they are requesting the Department initiate.<sup>20</sup>

## Allegations and Evidence of Material Injury and Causation

The petitioners allege that the U.S. industry producing the domestic like product is being materially injured, or is threatened with material injury, by reason of the imports of the subject merchandise sold at less than fair value. In addition, the petitioners allege that subject imports exceed the negligibility threshold provided for under section 771(24)(A) of the Act.<sup>21</sup>

The petitioners contend that the industry's injured condition is illustrated by reduced market share; underselling and price depression or suppression; lost sales and revenues; negative impact on domestic industry capacity, capacity utilization, and employment; and negative impact on domestic industry sales revenues and operating profits.<sup>22</sup> We have assessed the allegations and supporting evidence regarding material injury, threat of material injury, and causation, and we have determined that these allegations are properly supported by adequate evidence and meet the statutory requirements for initiation.<sup>23</sup>

## Allegation of Sales at Less Than Fair Value

The following is a description of the allegation of sales at less than fair value upon which the Department based its decision to initiate an investigation of imports of HFCs from the PRC.

<sup>&</sup>lt;sup>20</sup> <u>Id</u>.

<sup>&</sup>lt;sup>21</sup> See Volume I of the Petition, at 37-38; see also Petition Supplement, at 13 and Exhibit 5.

<sup>&</sup>lt;sup>22</sup> <u>See</u> Volume I of the Petitions, at 2-4, 39-52; <u>see</u> <u>also</u> Volume II of the Petition, at Exhibits II-1 through II-3 and II-5 through II-13; and Petition Supplement, at 13-14 and Exhibits 5-6.

<sup>&</sup>lt;sup>23</sup> <u>See</u> Initiation Checklist, at Attachment III, Analysis of Allegations and Evidence of Material Injury and Causation for the Antidumping Duty Petition Covering Certain Hydrofluorocarbon Blends and Certain Single Hydrofluorocarbon Components Thereof from the People's Republic of China.

The sources of data for the deductions and adjustments relating to U.S. price and normal value (NV) are discussed in greater detail in the initiation checklist.

# **Export Price**

The petitioners based export price (EP) on price lists and PRC export data.<sup>24</sup> The petitioners made deductions from U.S. price for certain movement expenses consistent with the delivery terms.<sup>25</sup> Where applicable, the petitioners also deducted from U.S. price sales commission and trading company mark-ups estimated using the petitioners' knowledge of the PRC HFC industry.<sup>26</sup>

## Normal Value

The Department has always treated the PRC as a non-market economy (NME) country. In accordance with section 771(18)(C)(i) of the Act, the presumption of NME status remains in effect until revoked by the Department. The presumption of NME status for the PRC has not been revoked by the Department and, therefore, remains in effect for purposes of the initiation of this investigation. Accordingly, the NV of the product is appropriately based on FOPs valued in a surrogate market economy country, in accordance with section 773(c) of the Act. In the course of this investigation, all parties, and the public, will have the opportunity to provide relevant information related to the issues of the PRC's NME status and the granting of separate rates to individual exporters.

The petitioners claim that Thailand is an appropriate surrogate country because it is a market economy that is at a level of economic development comparable to that of the PRC, it is a significant producer of the merchandise under consideration, and the data for valuing FOPs,

<sup>&</sup>lt;sup>24</sup> <u>See</u> Initiation Checklist. The petitioners also based EP on prices calculated from other pricing data but we have not relied on these prices for purposes of initiation.

<sup>&</sup>lt;sup>25</sup> Id.

<sup>&</sup>lt;sup>26</sup> Id.

factory overhead, selling, general and administrative (SG&A) expenses, and profit are both available and reliable.<sup>27</sup>

Based on the information provided by the petitioners, we believe it is appropriate to use Thailand as a surrogate country for initiation purposes. Interested parties will have the opportunity to submit comments regarding surrogate country selection and, pursuant to 19 CFR 351.301(c)(3)(i), will be provided an opportunity to submit publicly available information to value FOPs within 30 days before the scheduled date of the preliminary determination.

## Factors of Production

The petitioners based the FOPs for materials, labor, and energy on petitioning U.S. producers' consumption rates for producing HFCs.<sup>28</sup> The petitioners valued the estimated factors of production for most material using surrogate values from Thailand.<sup>29</sup> *Valuation of Raw Materials* 

The petitioners valued the FOPs for raw materials (e.g., hydrofluoric acid, methylene chloride, lime, caustic soda, sodium sulfite, etc.) using reasonably available, public import data for Thailand from the Global Trade Atlas (GTA) for the POI.<sup>30</sup> In addition, the petitioners valued the FOPs for 1,1,1-trichloroethane, chlorine, and hydrogen chloride using reasonably available, public import data for Bulgaria from the GTA for the POI because the petitioners claim that the Thai import data for these materials were either aberrational or did not exist.<sup>31</sup> The petitioners excluded all import values from countries previously determined by the Department

<sup>&</sup>lt;sup>27</sup> Id.

<sup>&</sup>lt;sup>28</sup> See Volume I of the Petition, at 55-56.

<sup>&</sup>lt;sup>29</sup> <u>See</u> Volume III of the Petition, at Exhibit III-6; <u>see also</u> Petition Supplement, at 16-17 and Exhibit 8. Additionally, in certain cases, the petitioners used surrogate values from Bulgaria, as discussed in "Valuation of Raw Materials," above. <u>Id</u>.

<sup>&</sup>lt;sup>30</sup> Id.

<sup>&</sup>lt;sup>31</sup> <u>See</u> Volume I of the Petition, at 56-57; <u>see also</u> Petition Supplement, at 14-16. Bulgaria has also recently been found to be a level of economic development comparable to the PRC by the Department.

to maintain broadly available, non-industry-specific export subsidies and from countries previously determined by the Department to be NME countries. In addition, in accordance with the Department's practice, the average import value excludes imports that were labeled as originating from an unidentified country. The Department determines that the surrogate values in the petition are those that are reasonably available to the petitioners and, thus, are acceptable for purposes of initiation.

# Valuation of Labor

The petitioners valued labor using data published by Thailand's National Statistics Office (NSO). The petitioners relied on Thai NSO data for the manufacturing industry (public and private) for the fourth quarter of 2014 and the first quarter of 2015. As the Thai wage data are monthly data denominated in Thai Baht, the petitioners converted these wage rates to hourly rates and then converted them to U.S. dollars using the average exchange rate during the POI. The petitioners then applied that resulting labor rate to the labor hours expended by a U.S. producer of HFCs. The petitioners are data are monthly data denominated in Thai Baht, the petitioners converted these wage rates to hourly rates and then converted them to U.S. dollars using the average exchange rate during the POI. The petitioners then applied that resulting labor rate to the labor hours expended by a U.S. producer of HFCs.

# Valuation of Energy

The petitioners used published rates by the Electricity Generating Authority of Thailand (EGAT) for 2013 to value electricity.<sup>35</sup> The petitioners adjusted the EGAT rate information for inflation using the International Monetary Fund's producer price index and converted to U.S. dollars.<sup>36</sup> The petitioners calculated the cost of natural gas in Thailand using the average unit

<sup>34</sup> See Volume III of the Petition, at Exhibit III-12.

<sup>&</sup>lt;sup>32</sup> See Volume III of the Petition, at Exhibit III-11.

<sup>&</sup>lt;sup>33</sup> See Volume I of the Petition, at 59.

<sup>&</sup>lt;sup>35</sup> See Volume I of the Petition, at page 58 and Volume III of the Petition, at Exhibit III-10.

<sup>&</sup>lt;sup>36</sup> See Volume III of the Petition, at Exhibits III-6 and III-10.

value of imports of liquid natural gas for the period, as reported by GTA.<sup>37</sup> Using universal conversion factors, the petitioners converted that cost to the U.S. producer-reported factor unit of million British thermal units to ensure the proper comparison.<sup>38</sup>

Valuation of Factory Overhead, SG&A Expenses, and Profit

The petitioners calculated surrogate financial ratios (<u>i.e.</u>, manufacturing overhead, SG&A expenses, and profit) using the 2013 audited financial statements of Air Liquide, Air Products, and Bangkok Industrial Gas, Thai producers of comparable merchandise (<u>i.e.</u>, industrial gases).<sup>39</sup> Fair Value Comparisons

Based on the data provided by the petitioners, there is reason to believe that imports of HFCs from the PRC are being, or are likely to be, sold in the United States at less than fair value. Based on comparisons of EP to NV, in accordance with section 773(c) of the Act, the estimated dumping margins for HFCs from the PRC range from 111.20 to 300.30 percent.<sup>40</sup>

# <u>Initiation of Less-than-Fair-Value Investigation</u>

Based upon the examination of the Petition on HFCs from the PRC, we find that the Petition meets the requirements of section 732 of the Act. Therefore, we are initiating an AD investigation to determine whether imports of HFCs from the PRC are being, or are likely to be, sold in the United States at less than fair value. In accordance with section 733(b)(1)(A) of the Act and 19 CFR 351.205(b)(1), unless postponed, we will make our preliminary determination no later than 140 days after the date of this initiation.

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<sup>&</sup>lt;sup>37</sup> Id., at Exhibit III-6.

<sup>&</sup>lt;sup>38</sup> Id., at Exhibit III-10; see also Petition Supplement, at 17-18.

<sup>&</sup>lt;sup>39</sup> See Volume I of the Petition, at 59; see also Petition Supplement, at Exhibit 9.

<sup>&</sup>lt;sup>40</sup> See Initiation Checklist; see also Petition Supplement, at Exhibit 14.

## Respondent Selection

The petitioners named 44 companies as producers/exporters of HFCs. 41 In accordance with our standard practice for respondent selection in AD cases involving NME countries, we intend to issue quantity-and-value (Q&V) questionnaires to each potential respondent for which we have a complete address, and base respondent selection on the responses received. In addition, the Department will post the Q&V questionnaire along with filing instructions on the Enforcement and Compliance website at http://www.trade.gov/enforcement/news.asp.

Exporters/producers of HFCs from the PRC that do not receive Q&V questionnaires by mail may still submit a response to the Q&V questionnaire and can obtain a copy from the Enforcement and Compliance website. The Q&V response must be submitted by all PRC exporters/producers no later than 5:00 p.m. ET on July 29, 2015, which is two weeks from the signature date of this notice. With very limited exceptions, all Q&V responses should be filed electronically via ACCESS.<sup>42</sup>

### Separate Rates

In order to obtain separate-rate status in an NME investigation, exporters and producers must submit a separate-rate application. 43 The specific requirements for submitting a separaterate application in the PRC investigation are outlined in detail in the application itself, which is available on the Department's website at http://enforcement.trade.gov/nme/nme-sep-rate.html.

<sup>&</sup>lt;sup>41</sup> See the Volume I of the Petition, at 27 and Volume III of the Petition, at Exhibit III-1.

<sup>&</sup>lt;sup>42</sup> See, e.g., 19 CFR 351.303(b)(2)(ii)(B).

<sup>&</sup>lt;sup>43</sup> See Policy Bulletin 05.1: Separate-Rates Practice and Application of Combination Rates in Antidumping Investigation involving Non-Market Economy Countries (April 5, 2005), available at http://enforcement.trade.gov/policy/bull05-1.pdf (Policy Bulletin 05.1).

The separate-rate application will be due 30 days after publication of this initiation notice.<sup>44</sup> Exporters and producers who submit a separate-rate application and have been selected as mandatory respondents will be eligible for consideration for separate-rate status only if they respond to all parts of the Department's AD questionnaire as mandatory respondents. The Department requires that respondents from the PRC submit a response to both the Q&V questionnaire and the separate-rate application by 5:00 p.m. ET on their respective deadlines in order to receive consideration for separate-rate status.

### Use of Combination Rates

The Department will calculate combination rates for certain respondents that are eligible for a separate rate in an NME investigation. The Separate Rates and Combination Rates Bulletin states:

{w}hile continuing the practice of assigning separate rates only to exporters, all separate rates that the Department will now assign in its NME Investigation will be specific to those producers that supplied the exporter during the period of investigation. Note, however, that one rate is calculated for the exporter and all of the producers which supplied subject merchandise to it during the period of investigation. This practice applies both to mandatory respondents receiving an individually calculated separate rate as well as the pool of non-investigated firms receiving the weighted-average of the individually calculated rates. This practice is referred to as the application of "combination rates" because such rates apply to specific combinations of exporters and one or more producers. The cash-deposit rate assigned to an exporter will apply only to merchandise both exported by the firm in question and produced by a firm that supplied the exporter during the period of investigation.<sup>45</sup>

# Distribution of Copies of the Petition

In accordance with section 732(b)(3)(A) of the Act and 19 CFR 351.202(f), copies of the public version of the Petition have been provided to the government of the PRC via ACCESS.

<sup>44</sup> Although in past investigations this deadline was 60 days, consistent with section 351.301 (a) of the Department's regulations, which states that "the Secretary may request any person to submit factual information at any time during a proceeding," this deadline is now 30 days.

<sup>&</sup>lt;sup>45</sup> See Policy Bulletin 05.1 at 6 (emphasis added).

To the extent practicable, we will attempt to provide a copy of the public version of the Petition to each exporter named in the Petition, as provided under 19 CFR 351.203(c)(2).

## **ITC Notification**

We have notified the ITC of our initiation, as required by section 732(d) of the Act.

Preliminary Determination by the ITC

The ITC will preliminarily determine, within 45 days after the date on which the Petition was filed, whether there is a reasonable indication that imports of HFCs from the PRC are materially injuring or threatening material injury to a U.S. industry. A negative ITC determination will result in the investigation being terminated; otherwise, this investigation will proceed according to statutory and regulatory time limits.

## Submission of Factual Information

Factual information is defined in 19 CFR 351.102(b)(21) as: (i) evidence submitted in response to questionnaires; (ii) evidence submitted in support of allegations; (iii) publicly available information to value factors under 19 CFR 351.408(c) or to measure the adequacy of remuneration under 19 CFR 351.511(a)(2); (iv) evidence placed on the record by the Department; and (v) evidence other than factual information described in (i)–(iv). The regulation requires any party, when submitting factual information, to specify under which subsection of 19 CFR 351.102(b)(21) the information is being submitted and, if the information is submitted to rebut, clarify, or correct factual information already on the record, to provide an explanation identifying the information already on the record that the factual information seeks to rebut, clarify, or correct. Time limits for the submission of factual information are addressed in 19 CFR 351.301, which provides specific time limits based on the type of factual information being

<sup>&</sup>lt;sup>46</sup> See section 733(a) of the Act.

<sup>&</sup>lt;sup>47</sup> <u>Id</u>.

submitted. Please review the regulations prior to submitting factual information in this investigation.

## **Extensions of Time Limits**

Parties may request an extension of time limits before the expiration of a time limit established under Part 351, or as otherwise specified by the Secretary. In general, an extension request will be considered untimely if it is filed after the expiration of the time limit established under Part 351 expires. For submissions that are due from multiple parties simultaneously, an extension request will be considered untimely if it is filed after 10:00 a.m. on the due date. Under certain circumstances, we may elect to specify a different time limit by which extension requests will be considered untimely for submissions which are due from multiple parties simultaneously. In such a case, we will inform parties in the letter or memorandum setting forth the deadline (including a specified time) by which extension requests must be filed to be considered timely. An extension request must be made in a separate, stand-alone submission; under limited circumstances we will grant untimely-filed requests for the extension of time limits. Review Extension of Time Limits, 78 FR 57790 (September 20, 2013), available at <a href="http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm">http://www.gpo.gov/fdsys/pkg/FR-2013-09-20/html/2013-22853.htm</a>, prior to submitting factual information in this investigation.

## **Certification Requirements**

Any party submitting factual information in an AD proceeding must certify to the accuracy and completeness of that information.<sup>48</sup> Parties are hereby reminded that revised certification requirements are in effect for company/government officials, as well as their representatives. Investigations initiated on the basis of petitions filed on or after August 16,

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<sup>&</sup>lt;sup>48</sup> See section 782(b) of the Act.

2013, and other segments of any AD proceedings initiated on or after August 16, 2013, should

use the formats for the revised certifications found in the Department's regulations at 19 CFR

351.303(g).<sup>49</sup> The Department intends to reject factual submissions if the submitting party does

not comply with the applicable revised certification requirements.

Notification to Interested Parties

Interested parties must submit applications for disclosure under APO in accordance with

19 CFR 351.305. On January 22, 2008, the Department published Antidumping and

Countervailing Duty Proceedings: Documents Submission Procedures; APO Procedures, 73 FR

3627 (January 22, 2008). Parties wishing to participate in this investigation should ensure that

they meet the requirements of these procedures (e.g., the filing of letters of appearance as

discussed in 19 CFR 351.103(d)).

This notice is issued and published pursuant to section 777(i) of the Act.

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Paul Piquado Assistant Secretary

for Enforcement and Compliance

July 15, 2015.

Date

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<sup>49</sup> <u>See also Certification of Factual Information to Import Administration during Antidumping and Countervailing Duty Proceedings</u>, 78 FR 42678 (July 17, 2013) (for additional information about the certification requirements); <u>see also frequently asked questions regarding the Final Rule</u>, available at:

http://enforcement.trade.gov/tlei/notices/factual info final rule FAQ 07172013.pdf.

### Appendix I

## **Scope of the Investigation**

The products subject to this investigation are blended hydrofluorocarbons (HFCs) and single HFC components of those blends thereof, whether or not imported for blending. HFC blends covered by the scope are **R-404**, a zeotropic mixture consisting of 52 percent 1,1,1-Trifluoroethane, 44 percent Pentafluoroethane, and 4 percent 1,1,1,2-Tetrafluoroethane; **R-407A**, a zeotropic mixture of 20 percent Difluoromethane, 40 percent Pentafluoroethane, and 40 percent 1,1,1,2-Tetrafluoroethane; **R-407C**, a zeotropic mixture of 23 percent Difluoromethane, 25 percent Pentafluoroethane, and 52 percent 1,1,1,2-Tetrafluoroethane; **R-410A**, a zeotropic mixture of 50 percent Difluoromethane and 50 percent Pentafluoroethane; and **R-507A**, an azeotropic mixture of 50 percent Pentafluoroethane and 50 percent 1,1,1-Trifluoroethane also known as R-507. The foregoing percentages are nominal percentages by weight. Actual percentages of single component refrigerants by weight may vary by plus or minus two percent points from the nominal percentage identified above. <sup>50</sup>

The single component HFCs covered by the scope are **R-32**, **R-125**, and **R-143a**. **R-32** or Difluoromethane has the chemical formula CH<sub>2</sub>F<sub>2</sub>, and is registered as CAS No. 75-10-5. It may also be known as HFC-32, FC-32, Freon-32, Methylene difluoride, Methylene fluoride, Carbon fluoride hydride, halocarbon R32, fluorocarbon R32, and UN 3252. **R-125** or 1,1,1,2,2-Pentafluoroethane has the chemical formula CF<sub>3</sub>CHF<sub>2</sub> and is registered as CAS No. 354-33-6. R-125 may also be known as R-125, HFC-125, Pentafluoroethane, Freon 125, and Fc-125, R-125. **R-143a** or 1,1,1-Trifluoroethane has the chemical formula CF<sub>3</sub>CH<sub>3</sub> and is registered as CAS No. 420-46-2. R-143a may also be known as R-143a, HFC-143a, Methylfluoroform, 1,1,1-Trifluoroform, and UN2035.

Excluded from this investigation are blends of refrigerant chemicals that include products other than HFCs, such as blends including chlorofluorocarbons (CFCs) or hydrochlorofluorocarbons (HCFCs).

Also excluded from this investigation are patented HFC blends, such as ISCEON® blends, including MO99<sup>TM</sup> (RR-438A), MO79 (R-422A), MO59 (R-417A), MO49*Plus*<sup>TM</sup> (R-437A) and MO29<sup>TM</sup> (R-4 22D), and Genetron® Performax<sup>TM</sup> LT (R-407F).

HFC blends covered by the scope of this investigation are currently classified in the Harmonized Tariff Schedule of the United States (HTSUS) at subheading 3824.78.0000. Single component

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<sup>&</sup>lt;sup>50</sup> R-404A is sold under various trade names, including Forane® 404A, Genetron® 404A, Solkane® 404A, Klea® 404A, and Suva®404A. R-407A is sold under various trade names, including Forane® 407A, Solkane® 407A, Klea®407A, and Suva®407A. R-407C is sold under various trade names, including Forane® 407C, Genetron® 407C, Solkane® 407C, Klea® 407C and Suva® 407C. R-410A is sold under various trade names, including EcoFluor R410, Forane® 410A, Genetron® R410A and AZ-20, Solkane® 410A, Klea® 410A, Suva® 410A, and Puron®. R-507A is sold under various trade names, including Forane® 507, Solkane® 507, Klea®507, Genetron®AZ-50, and Suva®507. R-32 is sold under various trade names, including Solkane®125, Genetron®125, and Klea®32. R-125 is sold under various trade names, including Solkane®125, Klea®125, Genetron®125, and Forane®125. R-143a is sold under various trade names, including Solkane®143a, Genetron®143a, and Forane®125.

HFCs are currently classified at subheading 2903.39.2030, HTSUS. Although the HTSUS subheadings and CAS registry numbers are provided for convenience and customs purposes, the written description of the scope is dispositive.
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